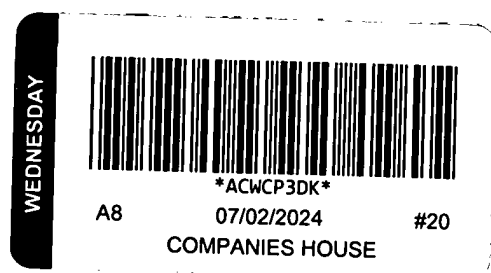


## **ARA Europe Private Markets Limited**

(Registered Number: 13447544)

### **Annual report and Audited Financial Statements**

For the year ended 31 December 2022



## ARA Europe Private Markets Limited

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Registered Number: 13447544

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**ARA Europe Private Markets Limited**

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Registered Number: 13447544

**Company information**

**Directors**

Roun Barry  
Mark Ebbinghaus  
Timothy Thorp  
Stuart Jackson

**Independent Auditor**

MHA  
6<sup>th</sup> Floor  
2 London Wall Place  
London  
EC2Y 5AU

**Registered office**

14 Cork Street  
London  
W1S 3NS

**Banker**

HSBC Bank Plc  
90 Baker Street  
London  
W1U 6AX

## ARA Europe Private Markets Limited

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Registered Number: 13447544

### **Directors' report**

**For the year ended 31 December 2022**

The directors present their report and the audited financial statements of the ARA Europe Private Markets Limited ("the Company") for the year ended 31 December 2022 ("the year"). The comparative period is the period from incorporation on 9 June 2021 to 31 December 2021.

#### **Principal activity**

The principal activity of the Company during the year ended 31 December 2022 was the provision of investment management services. The Company was authorised by the Financial Conduct Authority to act as an appointed representative on 23 December 2021.

#### **Results and dividends**

The loss for the year ended 31 December 2022, after taxation, amounted to £1,293,827 (2021: loss of £1,505,628). The Company had a full year of trading activity during the year ended 31 December 2022, following the business acquisition in the period ended 31 December 2021, and during the year the Company incurred an amortisation charge of £1,993,117 (period ended 31 December 2021: £138,3998), which was a significant contributing factor for the loss.

The directors do not recommend the payment of a dividend for the period ended 31 December 2022 (2021: £nil).

#### **Directors**

The directors who served during the year ended 31 December 2022 and up to the date of approval of this report were:

Roun Barry  
Mark Ebbinghaus  
Stuart Jackson  
Timothy Thorp

#### **Going concern**

The directors have assessed the ability of the Company to continue as a going concern for the next 12 months from the date of approval of these financial statements. That assessment includes the impact of the ongoing conflict between Russia and Ukraine.

The directors consider that the Company has sufficient assets under management to generate sufficient income, along with existing liquid resources and will receive any necessary financial support from the rest of the ARA group, to enable the Company to cover its expenses and pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Consequently, the Directors have concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern for the next 12 months from the date of approval of these financial statements. Accordingly, the going concern basis has been adopted in preparing the financial statements.

**ARA Europe Private Markets Limited**

Registered Number: 13447544

**Directors' report (continued)**

**For the year ended 31 December 2022**

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditor**

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006 at the next board meeting held to approve the financial statements.

**Small companies' exemption**

The Directors have taken advantage of the exemption from preparing a strategic report that is available to small companies under section 414(b) of the Companies Act 2006.

On behalf of the board

*Roun Barry*

**Roun Barry**  
Director  
5 February 2024

**ARA Europe Private Markets Limited**

Registered Number: 13447544

**Directors' responsibilities statement**

**For the year ended 31 December 2022**

The directors are responsible for preparing the Directors' report and the financial statements of the Company in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements of the Company for each financial year. Under that law the directors have elected to prepare the financial statements of the Company in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements of the Company unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements of the Company, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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## **Independent Auditor's report to the members ARA Europe Private Markets Limited**

### **Opinion**

We have audited the financial statements of ARA Europe Private Markets Limited (the "Company") for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs for the year ended 31 December 2022, and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard



## **Independent Auditor's report to the members of ARA Europe Private Markets Limited**

### **Opinions on matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.adequate accounting records have not been kept,

### **Responsibilities of the directors**

As explained more fully in the statement of director's responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director's determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.





## **Independent Auditor's report to the members of ARA Europe Private Markets Limited**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management, those charged with governance, around actual and potential litigation and claims;
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David King BSc, ACA, Senior Statutory Auditor  
For and on behalf of MHA, Statutory Auditor  
London, United Kingdom  
5 February 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

## ARA Europe Private Markets Limited

Registered Number: 13447544

**Statement of comprehensive income**

For the year ended 31 December 2022

		Year ended 31 December 2022	Period from 9 June 2021 to 31 December 2021 £
	Note		
Turnover	4	8,808,292	646,149
Administrative expenses	5	<u>(10,102,119)</u>	<u>(2,151,777)</u>
<b>Operating loss</b>	6	(1,293,827)	(1,505,628)
Taxation on loss on ordinary activities	8	<u>-</u>	<u>--</u>
<b>Loss for the financial period</b>		<u>(1,293,827)</u>	<u>(1,505,628)</u>

All activities derive from continuing operations.

There were no other items of comprehensive income for the current year or prior period other than those included in the Statement of comprehensive income above.

The notes on pages 12 - 21 form an integral part of these financial statements.

## ARA Europe Private Markets Limited

Registered Number: 13447544

**Statement of financial position**

As at 31 December 2022

	Note	2022 £	2021 £
<b>Non-current assets</b>			
Tangible fixed assets	9	336,976	245,566
Intangible asset	10	15,810,805	17,803,923
		<u>16,147,781</u>	<u>18,049,489</u>
<b>Current assets</b>			
Debtors	11	3,170,272	1,168,011
Cash at bank		1,961,147	-
		<u>5,131,419</u>	<u>1,168,011</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(23,283,497)</u>	<u>(18,775,744)</u>
<b>Net current liabilities</b>		(18,152,078)	(17,607,733)
<b>Creditors: amounts falling due in more than one year</b>	13	(795,157)	(1,947,383)
<b>Net liabilities</b>		<u>(2,799,454)</u>	<u>(1,505,627)</u>
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Retained earnings		<u>(2,799,455)</u>	<u>(1,505,628)</u>
<b>Total equity</b>		<u>(2,799,454)</u>	<u>(1,505,627)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

*Roun Barry*

Roun Barry  
Director

Date: 5 February 2024

The notes on pages 12 - 21 form an integral part of these financial statements.

**ARA Europe Private Markets Limited**

Registered Number: 13447544

**Statement of changes in equity****For the year ended 31 December 2022**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>At 1 January 2022</b>	1	(1,505,628)	(1,505,627)
Issue of share capital	-	-	-
Loss for the year	-	(1,293,827)	(1,293,827)
<b>At 31 December 2022</b>	<b>1</b>	<b>(2,799,455)</b>	<b>(2,799,454)</b>

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>On incorporation</b>	-	-	-
Issue of share capital	1	-	1
Loss for the period	-	(1,505,628)	(1,505,628)
<b>At 31 December 2021</b>	<b>1</b>	<b>(1,505,628)</b>	<b>(1,505,627)</b>

The notes on pages 12 - 21 form an integral part of these financial statements.

**ARA Europe Private Markets Limited**

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Registered Number: 13447544

**Notes to the financial statements**

**For the year ended 31 December 2022**

**1. Company information**

ARA Europe Private Markets Limited ("the Company") is a limited liability Company, incorporated and domiciled in England and Wales. The address of the Company's registered office and place of business is 14 Cork Street, London, W1S 3NS.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company is a subsidiary and is included in the consolidated financial statements of ESR Group Limited which are publicly available from its registered address. The Directors have taken advantage of the exemption from preparing a strategic report as well as a cashflow statement that is available to small companies under section 414(b) of the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Going concern**

The directors have assessed the ability of the Company to continue as a going concern for the next 12 months from the date of approval of these financial statements. That assessment includes the impact of the ongoing conflict between Russia and Ukraine

The directors consider that the Company has sufficient assets under management to generate sufficient income, along with existing liquid resources and will receive any necessary financial support from the rest of the ARA group, to enable the Company to cover its expenses and pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Consequently, the Directors have concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern for the next 12 months from the date of approval of these financial statements. Accordingly, the going concern basis has been adopted in preparing the financial statements.

**ARA Europe Private Markets Limited**

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Registered Number: 13447544

**Notes to the financial statements (continued)**

**For the year ended 31 December 2022**

**2.3 Foreign currencies**

**Functional and presentation currency**

The Company's functional and presentational currency is Pounds Sterling.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**2.5 Administration expenses**

Administrative expenses include salary costs, amortisation, other professional fees and rent.

**2.6 Taxation**

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. Deferred taxation is provided on all timing differences that have originated but not reversed by the Statement of financial position date other than those differences regarded as permanent. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax assets and liabilities recognised are provided at the average rate of tax expected to apply when the asset and liability crystallises and are not discounted. Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

## ARA Europe Private Markets Limited

Registered Number: 13447544

**Notes to the financial statements (continued)**

For the year ended 31 December 2022

**2.7 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**2.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	5 years straight line
Computer equipment	3 years straight line
Office equipment	3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**2.9 Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual value over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Current revenue contracts	-	7 years straight line basis
Future revenue contracts	-	10 years straight line basis

**2.10 Financial instruments****Financial assets**

The Company's financial assets comprise basic financial assets, being trade and other receivables.

Trade and other receivables are measured at transaction price less any impairment. Any impairment loss is recognised in the Statement of comprehensive income. Investments are recognised at cost less impairment.

The impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

## ARA Europe Private Markets Limited

Registered Number: 13447544

# Notes to the financial statements (continued)

For the year ended 31 December 2022

## 2.10 Financial instruments (continued)

### Financial liabilities

The Company's financial liabilities comprise basic financial liabilities, being trade and other payables. These are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and liability simultaneously.

## 2.11 Foreign currency translation

The functional and presentation currency is Pounds Sterling ("Sterling"), being the currency of the primary economic environment in which the Company operates.

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the Statement of financial position date. Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of comprehensive income

## 3 Judgments in applying accounting policies and key sources of uncertainty

In applying the Company's accounting policies, the directors may be required to make judgments and estimates that could impact the amounts reported for assets and liabilities as at the Statement of financial position date and the amounts reported for revenues and expenses during the period.

### Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates may not equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year, but it is necessary for the Company to make an estimate of the recoverable value of trade and other debtors.

### Impairment of debtors

When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor if available, the ageing profile of debtors and historical experience. Note 12 contains details of the net carrying amount of the debtors.

### Useful economic lives of non-financial assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the tangible fixed assets and note 2.8 for the useful economic lives for each class of assets.



## ARA Europe Private Markets Limited

Registered Number: 13447544

**Notes to the financial statements (continued)**

For the year ended 31 December 2022

**3 Judgments in applying accounting policies and key sources of uncertainty (continued)****Useful economic lives of intangible assets arising from business purchase**

The directors have chosen to continue to use the expected useful , based on the average life of each contract, as disclosed in the note 2.9. This will be reviewed on an annual basis to confirm that this is still appropriate.

**4 Turnover**

Turnover represents fees receivable for the provision of investment management services, in the UK, to funds located in:

	Year ended 31 December 2022	For the period to 31 December 2021
	£	£
UK	8,356,5546	644,149
Channel Islands	45,126	2,000
Luxembourg	406,610	
	<u>8,808,292</u>	<u>646,149</u>

**5 Administrative expenses**

Administrative expenses include salary costs, amortisation and other professional fees and rent.

**6 Operating loss**

Operating loss is stated after charging:

	Year ended 31 December 2022	For the period to 31 December 2021
		£
Depreciation of tangible fixed assets	112,858	9,715
Amortisation of intangible assets	1,993,117	138,397
Auditor's remuneration:		
- audit services	11,150	10,000
- non-audit services		1,000
	<u>1,250</u>	

## ARA Europe Private Markets Limited

Registered Number: 13447544

**Notes to the financial statements (continued)**

For the year ended 31 December 2022

**7 Staff costs**

	Year ended 31 December 2022	For the period to 31 December 2021
	£	£
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	3,942,974	254,803
Social security costs	713,325	30,596
Pension costs	259,486	19,508
	<u>4,915,784</u>	<u>304,907</u>

During the year-ended 31 December 2022, the Company had an average of 28 full-time employees.

**8 Taxation**

	Year ended 31 December 2022	For the period to 31 December 2021
	£	£
<b>a) Taxation on profit on ordinary activities</b>		
<b>Corporation tax</b>		
Current tax	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing difference	-	-
<b>Taxation charge on loss on ordinary activities</b>	<u>-</u>	<u>-</u>
<b>b) Factors affecting the current tax charge for the year/period:</b>		
<b>Loss on ordinary activities before tax</b>	<u>(1,293,828)</u>	<u>(1,505,628)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(245,827)	(286,069)
Unutilised losses	245,827	286,069
<b>Total tax charge for the year/period</b>	<u>-</u>	<u>-</u>

## ARA Europe Private Markets Limited

Registered Number: 13447544

**Notes to the financial statements (continued)**

For the year ended 31 December 2022

**8 Taxation (continued)****a) Taxation on profit on ordinary activities**

Any deferred tax asset or liability relating to unutilised losses and capital allowances in excess of depreciation has not been recognised or quantified. The Directors consider that it is appropriate to net off any deferred tax liability resulting from accelerated capital allowances with any deferred tax asset arising from unutilised losses as they are expected to occur in conjunction with one another. The Company will only quantify any net deferred tax asset and will only consider recognising a deferred tax asset once the tax return for the year ended 31 December 2022 has been filed.

As the Company has made losses of £1,293,828 in the year ending 31 December 2022 (period ended 2021: £1,505,628), the Directors consider that the calculation of any deferred tax amounts will result in a net deferred tax asset, due to the magnitude of the unutilised losses

**Factors that may affect future tax charges**

An increase in the UK corporation tax rate from 19% to 25% was substantively enacted in June 2021 and will take effect from 1 April 2023 for profits over £250,000. For profits under £50,000 the tax rate will remain the same at 19% and for profits between these figures it will be subject to 25% but reduced by marginal relief providing a gradual increase in the effective Corporation Tax rate.

**9 Tangible fixed assets**

	Leasehold improvements £	Computer equipment £	Office equipment £	Total £
<b>Cost:</b>				
At 1 January 2022	203,785	43,196	8,300	255,281
Additions	76,517	123,169	10,151	209,837
Disposals	(5,569)	-	-	(5,569)
At 31 December 2022	<u>274,733</u>	<u>166,365</u>	<u>18,451</u>	<u>459,549</u>
<b>Depreciation:</b>				
At 1 January 2022	(8,258)	(1,222)	(235)	(9,715)
Charge for the year	(56,055)	(52,235)	(4,793)	(113,083)
Disposals	225	-	-	225
At 31 December 2022	<u>(64,088)</u>	<u>(53,457)</u>	<u>(5,028)</u>	<u>(122,573)</u>
<b>Net book value:</b>				
At 31 December 2022	<u>210,645</u>	<u>112,908</u>	<u>13,423</u>	<u>336,976</u>
At 31 December 2021	<u>195,527</u>	<u>41,974</u>	<u>8,065</u>	<u>245,566</u>

## ARA Europe Private Markets Limited

Registered Number: 13447544

**Notes to the financial statements (continued)**

For the year ended 31 December 2022

**10 Intangible asset**

	<b>Current revenue contracts</b>	<b>Future revenue contracts</b>	<b>Total</b>
<b>Cost:</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	5,078,788	12,863,532	17,942,320
Additions	-	-	-
As at 31 December 2022	<u>5,078,788</u>	<u>12,863,532</u>	<u>17,942,320</u>
<b>Amortisation:</b>			
At 1 January 2022	(29,967)	(108,430)	(138,397)
Charge for the year/period	<u>(721,387)</u>	<u>(1,271,730)</u>	<u>(1,993,117)</u>
At 31 December 2022	<u>(751,354)</u>	<u>(1,380,160)</u>	<u>(2,131,515)</u>
<b>Net Book Value:</b>			
As at 31 December 2022	<u>4,327,434</u>	<u>11,483,372</u>	<u>15,810,805</u>
As at 31 December 2021	<u>5,048,821</u>	<u>12,755,102</u>	<u>17,803,923</u>

During the period ended 31 December 2021, the Company acquired the existing fund management contracts of Infrared Capital Real Estate. The employees that were dedicated to this team were transferred into the Company on 7 December 2021. The current revenue contracts are being amortised over 7 years and the future revenue contracts are being amortised over 10 years. This resulted in amortisation of £1,993,117 (2021: £138,397) being charged for the year-ended 31 December 2022.

## ARA Europe Private Markets Limited

Registered Number: 13447544

**Notes to the financial statements (continued)**

For the year ended 31 December 2022

**11 Debtors**

	2022	2021
	£	£
Trade Debtors	195,026	-
Prepayments and accrued income	1,525,086	494,974
Other debtors	1,001,432	186,346
VAT recoverable	214,782	252,745
Rent deposit	233,946	233,946
	<u>3,170,272</u>	<u>1,168,011</u>

The rent deposit is due in more than one year.

Included in other debtors is an amount of £179,344 (2021: £179,344) that is due from Infrared Capital Partners Limited and is due in more than one year, this amount is interest free. Other debtors is also made up of recharged expenses paid by the Company for start-up costs on behalf of ARA Europe Active Real Estate Fund V SCSp totalling £753,937 (2021: nil). The remaining £68,151 (2021: £2,002) is made up of sundry debtors consisting of travel and subsistence expense claims.

The directors consider that there has been no impairment in the carrying value of debtors.

**12 Creditors: Amounts falling due within one year**

	2022	2021
	£	£
Trade creditors	342,916	51,835
Amounts owed to group entities	20,635,557	16,048,061
Accruals	2,305,024	2,675,848
	<u>23,283,497</u>	<u>18,775,744</u>

Amounts due from related parties are interest free and payable on demand.

**13 Creditors: Amounts falling due in more than one year**

	2022	2021
	£	£
Accruals	795,157	1,947,383
	<u>795,157</u>	<u>1,947,383</u>

## ARA Europe Private Markets Limited

Registered Number: 13447544

**Notes to the financial statements (continued)**

For the year ended 31 December 2022

**14 Share capital**

	2022	2021
	£	£
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

The Company issued 1 £1 ordinary share on 8 June 2021.

**15 Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £259,486 (2021: £19,508) for the period to 31 December 2022. Contributions totaling £nil (2021: £nil) were payable to the fund as at 31 December 2022.

**16 Related party transactions**

The Company has taken advantage of the exemption granted by FRS 102.33.1A not to disclose related party transactions between it and fellow wholly owned subsidiaries.

Key management personnel are considered to be the directors of the Company.

**17 Ultimate controlling party**

As at 31 December 2021 the immediate parent company is ARA Dunedin Limited, and as at 31 December 2021 and up to 20 January 2022 the ultimate controlling party is ARA Asset Management Holdings Pte. Ltd.

On 20 January 2022 ESR Group Limited (previously ESR Cayman Limited) completed its acquisition of ARA Asset Management Holdings Pte. Ltd to become the Company's ultimate controlling party.